



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **C-1**

April 8, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AWARD OF PUBLIC WORKS CONSTRUCTION CONTRACT
SUPERVISORIAL DISTRICT 4
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

Award and authorize the Director of Public Works or his designee to prepare the construction contract in the form previously approved by County Counsel, execute the contract, and establish the effective date following receipt of approved Faithful Performance and Labor and Material bonds filed by the contractor for the following:

Project ID No. FCC0000522 - Palos Verdes - Walteria Drain, Cities of Torrance and Palos Verdes Estates (4), to Ivanko, in amount of \$4,375,273.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

We are recommending that your Board award this construction contract and authorize the Director of Public Works or his designee to execute the contract and establish the effective contract date following receipt of approved bonds and insurance filed by the contractor for this project.

The enclosure for this project includes the project description, the call for bids and bid opening dates, a tabulation of bids, and financial information. The certified record of receipt of bids and the original bid proposals for this project are also enclosed, including an addendum to the contract specifications.

The recommended construction contract is necessary to execute Board-directed and approved Public Works projects in support of operational missions. Your Board's approval of the recommended contract award and our subsequent execution of the contract will ensure the timely completion of the project.

Implementation of Strategic Plan Goals

The award of this construction contract is consistent with the County Strategic Plan Goal of Service Excellence since this contract will provide improved infrastructure to better serve the public.

FISCAL IMPACT/FINANCING

The enclosure for this project includes the amount of the recommended contract as compared with the engineer's estimate and the other bids received.

This project is included in the 2002-03 Department of Public Works Budget. The enclosure for this project includes more detailed fiscal and financial information.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Recommended contract award is to the lowest responsible bidder in accordance with the California Public Contract Code and your Board's directives.

On October 27, 1981, your Board adopted a program for the use of small Minority and Women-owned Businesses (MWBs) on Federal and State funded highway construction contracts. Companies meeting these requirements are certified by the State as Disadvantaged Business Enterprises (DBEs). An overall goal for subcontracting portions of the work to DBEs is established for each project. Contracts are recommended for award to the lowest responsible bidder who meets the goal or documents a good faith effort to do so in conformance with the program.

We have also developed an outreach program to encourage all qualified contractors to participate in the bidding and contracting process on our projects. Under this program, we place notices of upcoming bids in local and minority newspapers throughout the County. These notices indicate that copies of plans and specifications are available at specified libraries and the Public Works Headquarters building. This allows interested contractors to view the plans and specifications at convenient locations. We also provide telephone numbers (including one for Spanish-speaking contractors) to obtain further information on bidding and subcontracting opportunities.

To further increase contractor awareness of contracting opportunities with Public Works, this project was listed on the County website for upcoming bids.

The State Labor Code requires contractors to pay prevailing wage rates to all persons employed on public works construction contracts. These rates are determined by the Department of Industrial Relations and include contributions for fringe benefits such as vacations, pension funds, training, and health plans for each employee.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws.

The contract will be in the form previously approved by County Counsel. We will also review and approve the faithful performance and payment bonds filed by the contractor.

ENVIRONMENTAL DOCUMENTATION

On November 12, 2002, your Board approved the Negative Declaration for this project.

CONTRACTING PROCESS

The contract was solicited on an open competitive basis in accordance with the provisions of the Public Contract Code.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

Public Works has confirmed that the respective contractor is in compliance with the County's Child Support Compliance Program and the requirements of the Contractor Employee Jury Service Program.

The project specifications also contain a provision that, should the contractor require additional or replacement personnel to fill employment openings, consideration shall be given to hiring qualified participants in the County's Greater Avenues for Independence or General Relief Opportunities for Work Programs.

To ensure that the contracts are awarded to responsible contractors with satisfactory performance histories, bidders are required to report violations of the False Claims Act, their civil litigation history, and information regarding prior criminal convictions. The information reported by the respective contractor was considered before making this recommendation to approve execution of the contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This construction contract will result in improved public works infrastructure in the communities where the work is scheduled. Where appropriate, local residents and businesses will be informed that traffic and local access may be mildly disrupted during the construction. The proposed schedule for construction is included in the enclosure for this project.

The Honorable Board of Supervisors
April 8, 2003
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CONCLUSION

Please return one approved copy of this letter to Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

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Enc. 1

cc: Chief Administrative Office
County Counsel
Office of Affirmative Action Compliance

AWARD OF CONTRACT

April 8, 2003

PROJECT ID NO. FCC0000522, PALOS VERDES - WALTERIA DRAIN (Cities of Torrance and Palos Verdes Estates), Supervisorial District 4

TYPE OF WORK: Construction of a reinforced concrete pipe storm drain system and other appurtenant work.

CALL FOR BIDS DATE: March 4, 2003 (Synopsis 66)

BID OPENING DATE: April 1, 2003

BID SUMMARY:

Low	Vasilj, Inc., a corporation, dba Ivanko, 15531 Arrow Highway Irwindale, California 91706 (626) 480-1442	\$4,375,273.00
2	Steve Bubalo Construction Company	\$4,387,054.00
3	Colich Construction, L.P.	\$4,502,531.00
4	Southern California Underground Contractors, Inc.	\$4,577,877.00
5	Ken Thompson, Inc.	\$4,691,960.00
6	W.A. Rasic Construction Company, Inc.	\$4,738,191.94
7	Mike Bubalo Construction Company, Inc.	\$4,852,585.00
8	Vido Artukovich & Son, Inc./Vidmar, Inc.	\$4,982,561.00
9	KEC Engineering	\$5,089,900.00
10	Colich & Sons, L.P.	\$5,247,338.00
11	Majich Bros., Inc.	\$5,354,150.00
12	Clarke Contracting Corporation	\$5,974,930.00
13	Andrew Papac & Sons	\$7,128,032.00

FINANCIAL INFORMATION:

Amount of estimate	\$5,033,896.00
Amount of recommended contract	\$4,375,273.00
Amount of recommended contract below estimate	\$ 658,623.00

The amount of the recommended contract is 13 percent below the engineer-s estimate.

Sufficient funds for this project are available to the Flood Control District.

MINORITY/WOMEN-OWNED BUSINESS ENTERPRISE DATA:

Ivanko has two MWBE subcontractors/suppliers under this contract, yielding a proposed DBE participation of 13 percent. This contract does not have a Federal- or State-mandated DBE goal.

ENVIRONMENTAL IMPACT:

On November 12, 2002, your Board approved the Negative Declaration for this project.

CONSTRUCTION SCHEDULE:

The contract specifications require the work to be completed in 180 working days. It is estimated that the work will start in July 2003 and be completed in March 2004.

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